

Operating budget issues in higher education



Senate Ways & Means Committee

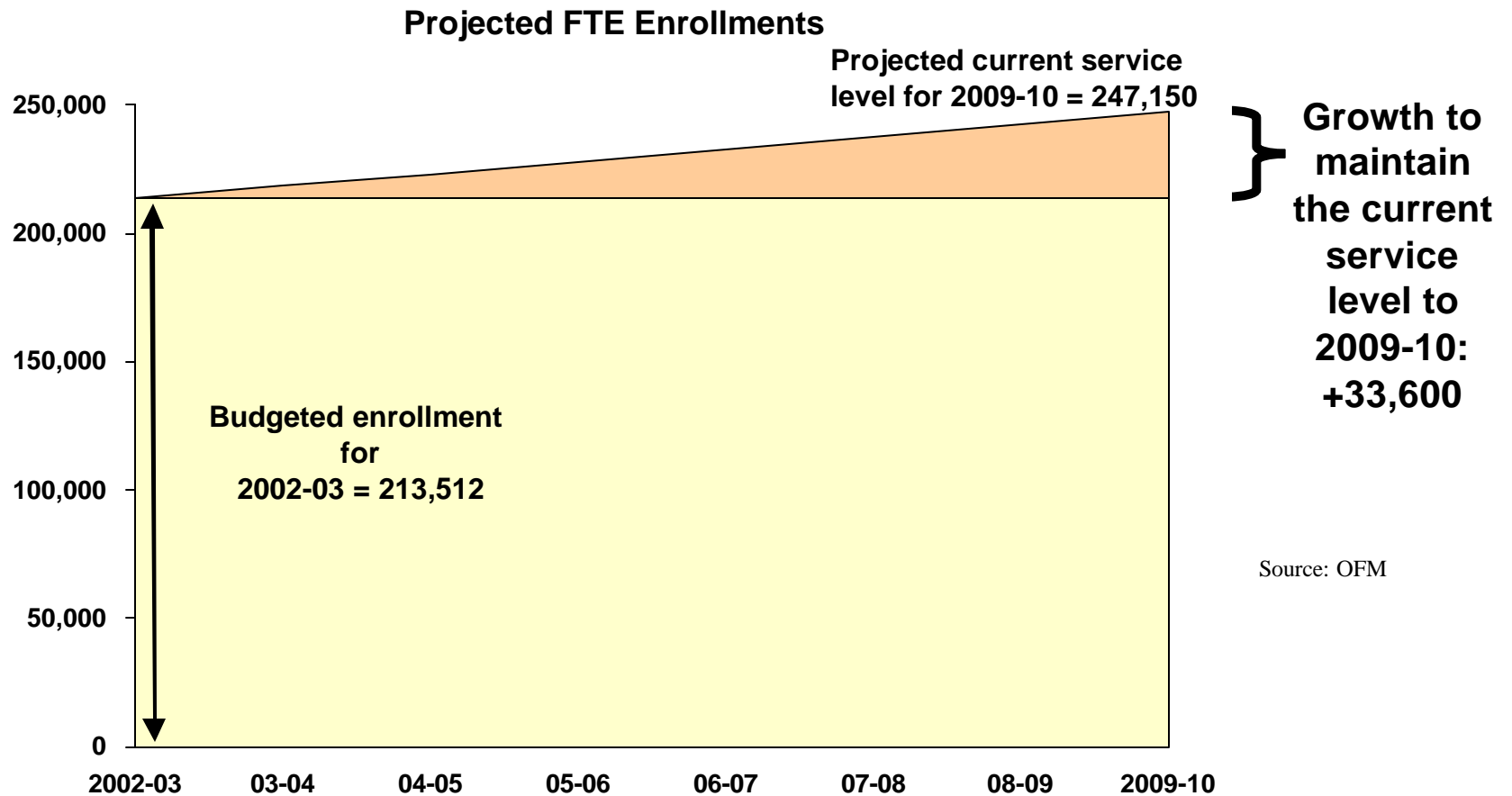
January 21, 2003

W A S H I N G T O N
H I G H E R
EDUCATION
C O O R D I N A T I N G B O A R D

Presentation outline

- Enrollment Needs by 2010
- State funding trends
- Tuition trends
- The result: shifting the burden

Enrollments: Maintaining the 2002 public higher education service level would require 33,600 more state-funded enrollments by 2010



However, college and university enrollments would be essentially flat during the next two years under the governor's budget

Budgeted Full-time Equivalent Enrollments

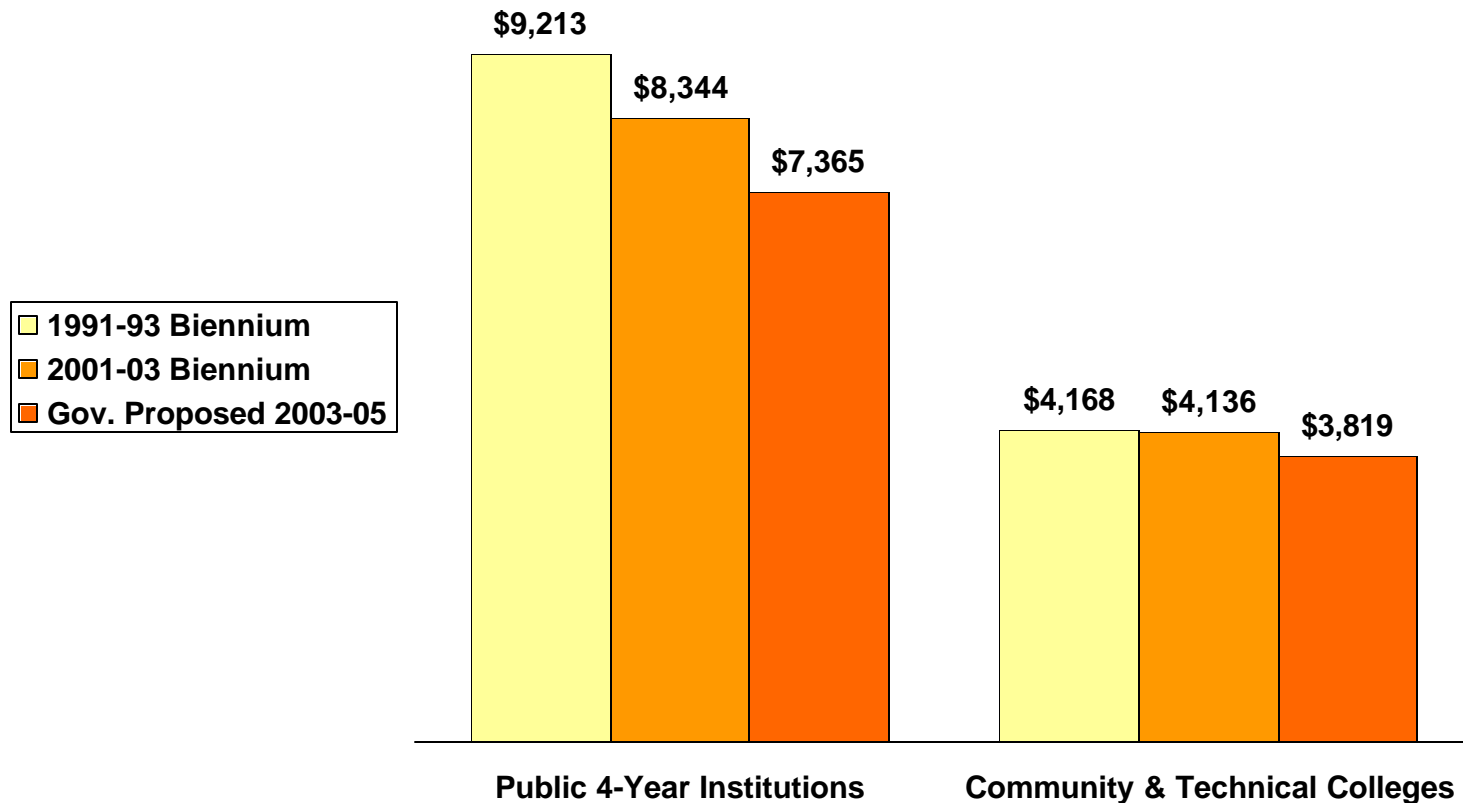
		Gov. Proposed	
	2002-03	FY 2004	FY 2005
4-year	85,290	85,290	85,290
2-year	128,222	126,872	126,872
High-demand		550	1,550
Total	213,512	212,712	213,712

Projected actual enrollments in 2002-03 exceed budgeted enrollments by 16,641; 4,217 in the four-year system and 12,424 in the two-year system.

Source: OFM

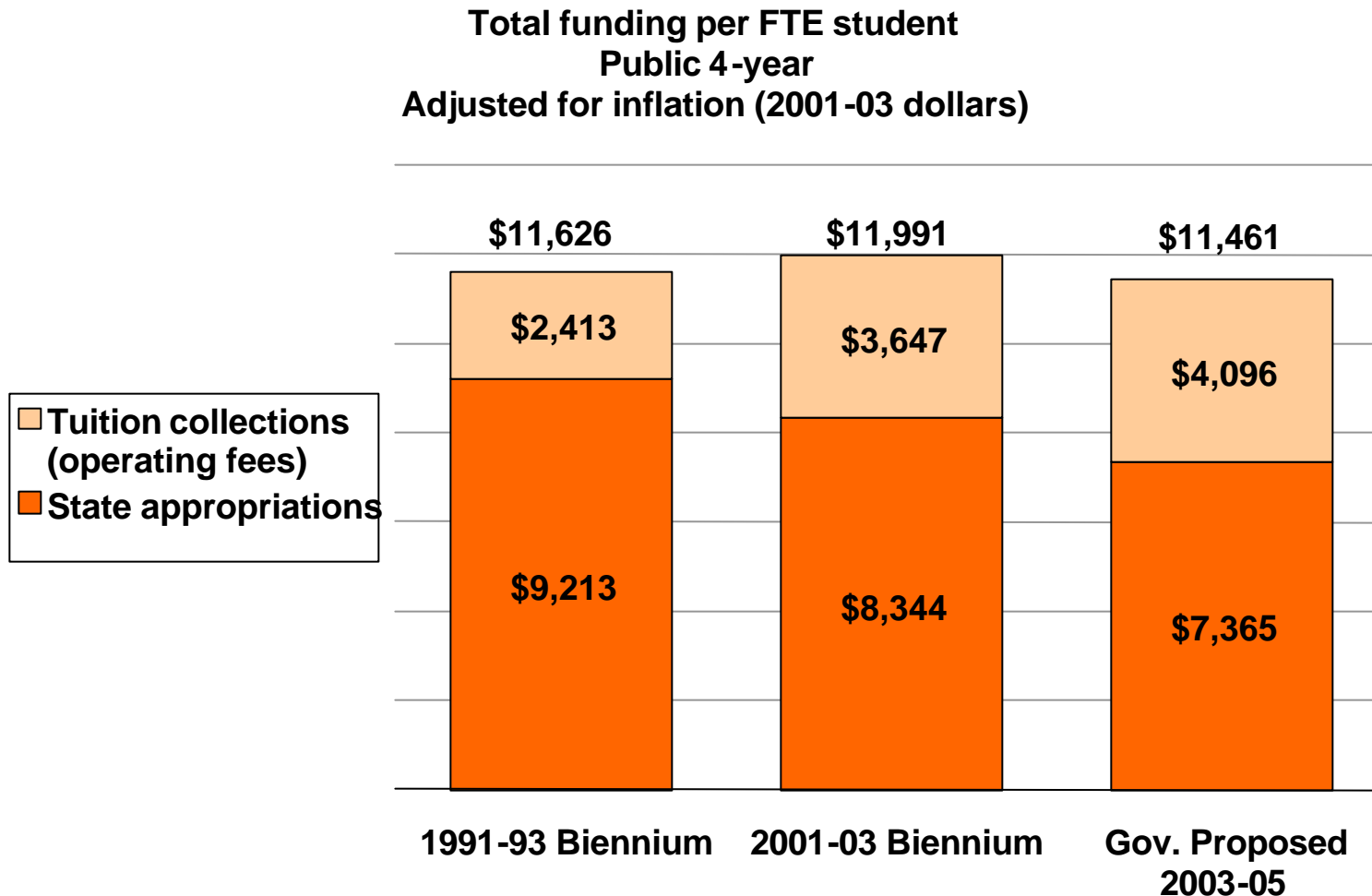
State support: The trend of declining state support for higher education would continue under Governor Locke's proposed 2003-05 budget

State General Fund Appropriations per Budgeted FTE Student
Adjusted for Inflation (2001-03 dollars)

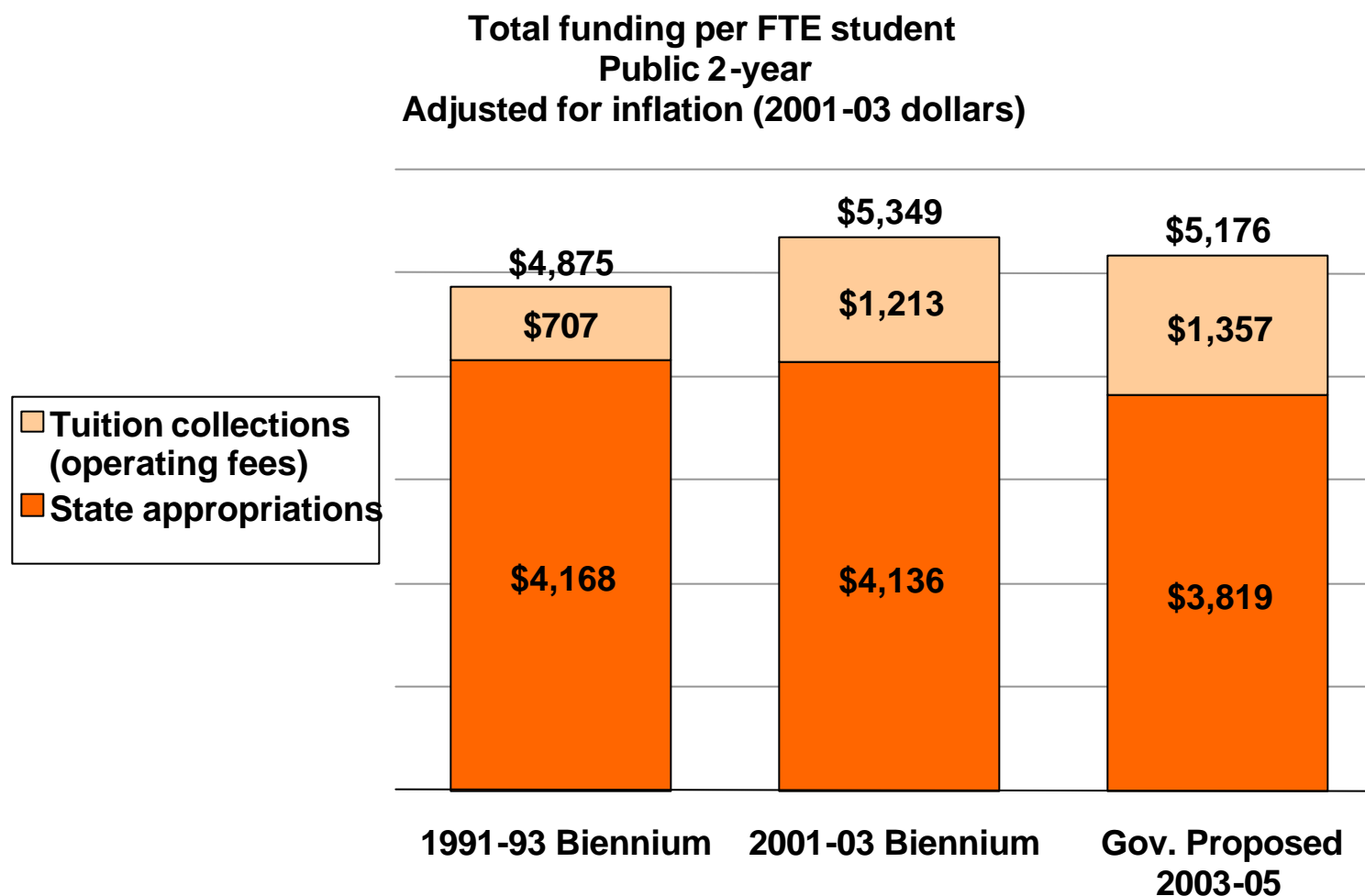


Sources: LEAP (historical appropriation FTE data); OFM (Gov. 2003-05 budget request); and Office of the Forecast Council (inflation).

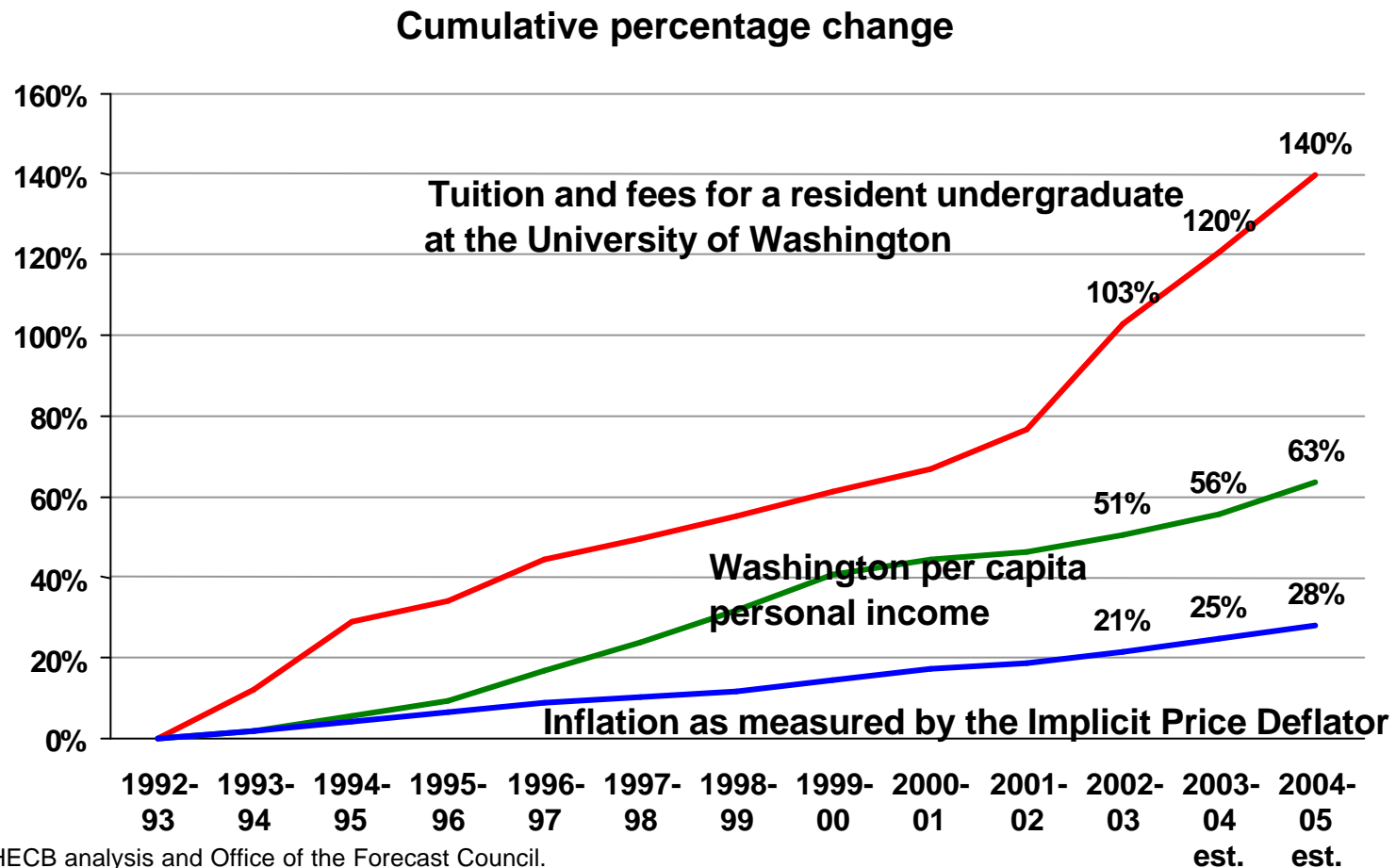
At the four-year schools, tuition would increase but total revenue per student would shrink under the governor's budget



At two-year colleges, tuition increases would not prevent a reduction in total revenue per student

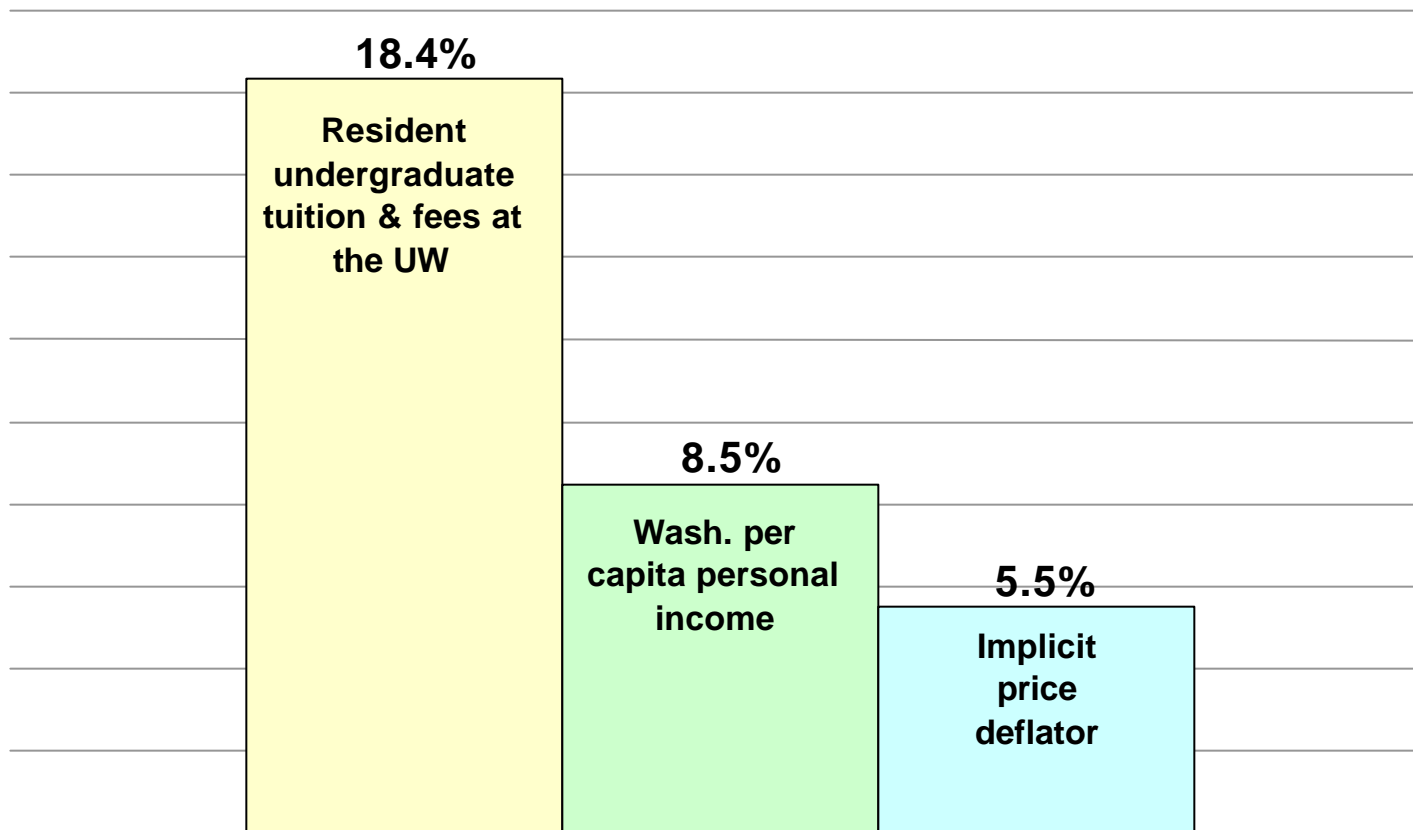


Since 1992, tuition increases have significantly outpaced gains in per capita income and inflation

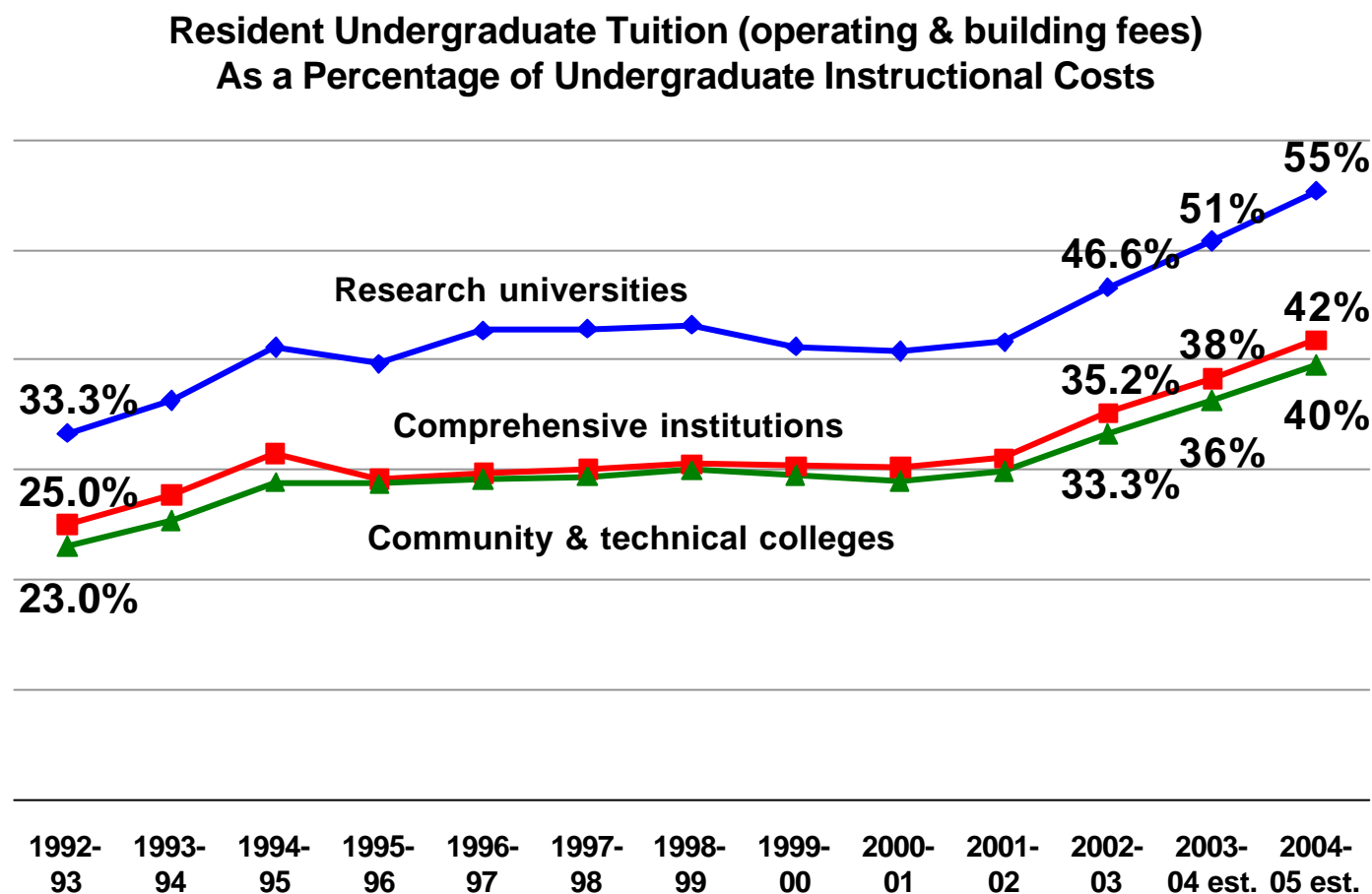


Annual 9% tuition increases would again exceed per capita income growth and inflation in 2003-05

Estimated growth in the 2003-05 biennium



Tuition and state support: For the first time, the students' share of instructional cost would exceed 50% at the research universities and reach or exceed 40% at the other schools



Source: HECB analysis.